

# **Establishing a Resource Allocation Model For Service Recipients With Intellectual and/or Developmental Disabilities - *Innovations Plus* -**

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Presentation to the  
Department Waiver Advisory Committee

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# Today's Topics

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1. The Challenges Faced by Policy Makers
2. Developing Resource Allocation Models
  - The process used to establish individualized budget allocations
  - Budget levels
  - Service planning
3. How Does the Resource Allocation Process Work?
4. Questions?



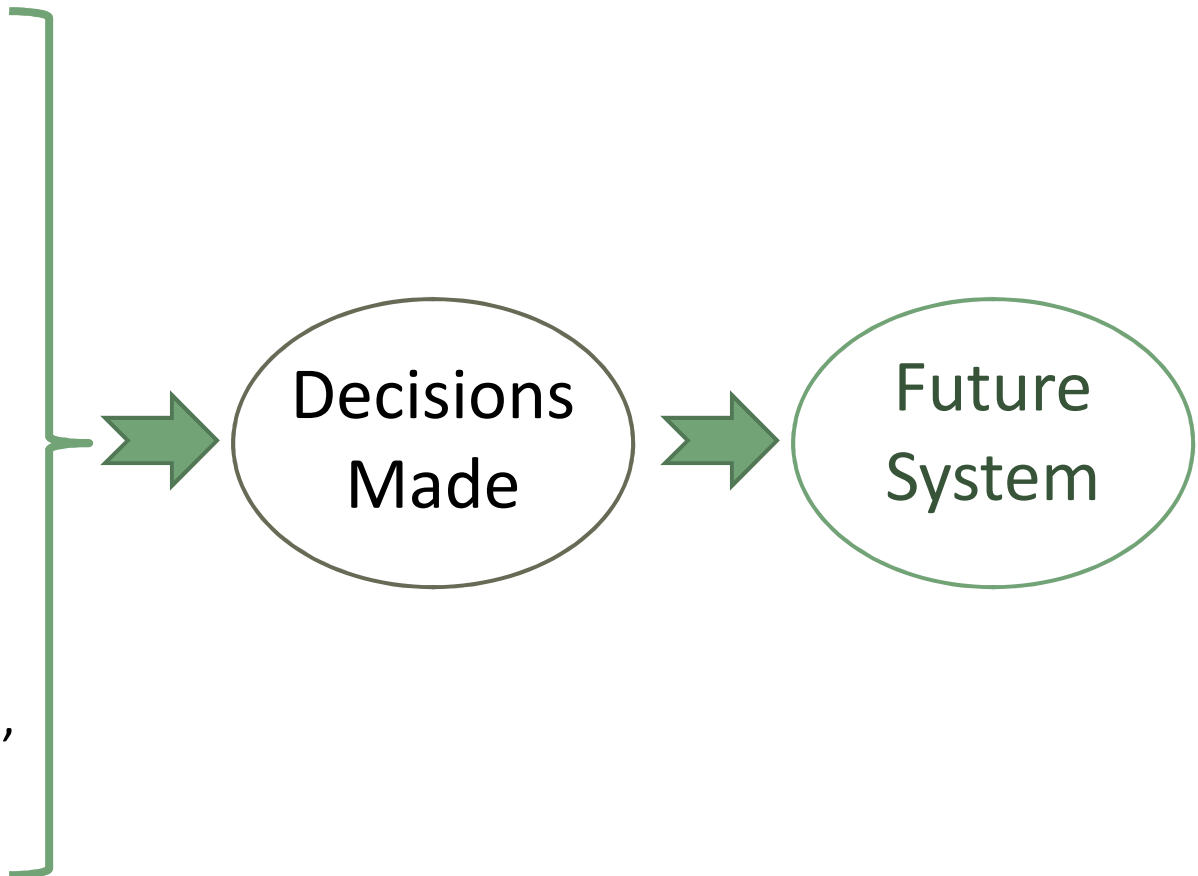
# Challenges Faced by Policy Makers



# Challenges Faced By Policy Makers

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- Budget stress
- Accelerating service demand
- Reliance on legacy and inefficient systems
- Workforce shortages
- Continued push for community integration, participation and self-direction



# Additionally, in North Carolina...

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- In 2011 the General Assembly enacted Session Law 2011-264 which provides for a major restructuring of the management, financing and delivery system for services for individuals with mental illness, intellectual and developmental disabilities (I/DD) and substance abuse disorders.
- This restructuring will occur through the expansion of the 1915 (b)(c) Medicaid waiver, to be completed by July 1, 2013.
- Among the many requirements (or anticipated results) of the legislation is that the State's current 23 LMEs will be consolidated and converted into managed care organizations.
- The law also requires the Department to explore the feasibility of utilizing the provisions of Section 1915(i) of Title XIX to provide habilitation services for individuals with I/DD that are eligible for Medicaid but not enrolled in the 1915(c) waiver or residing in Intermediate Care Facilities for the Mentally Retarded (ICFs/MR).
- The Innovations component of the waiver expansion specifies the use of a resource allocation system based on the Supports Intensity Scale (SIS) for the delivery of home and community based services to eligible individuals with I/DD.



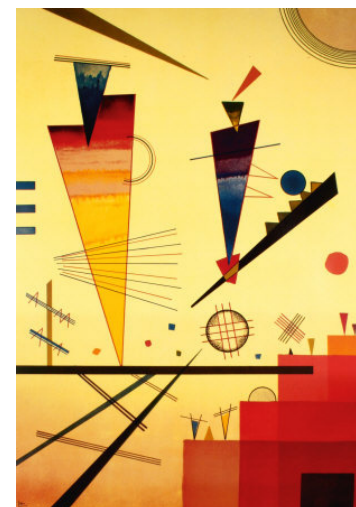
## Developing Assessment Informed Resource Allocation Frameworks



# What is Resource Allocation?

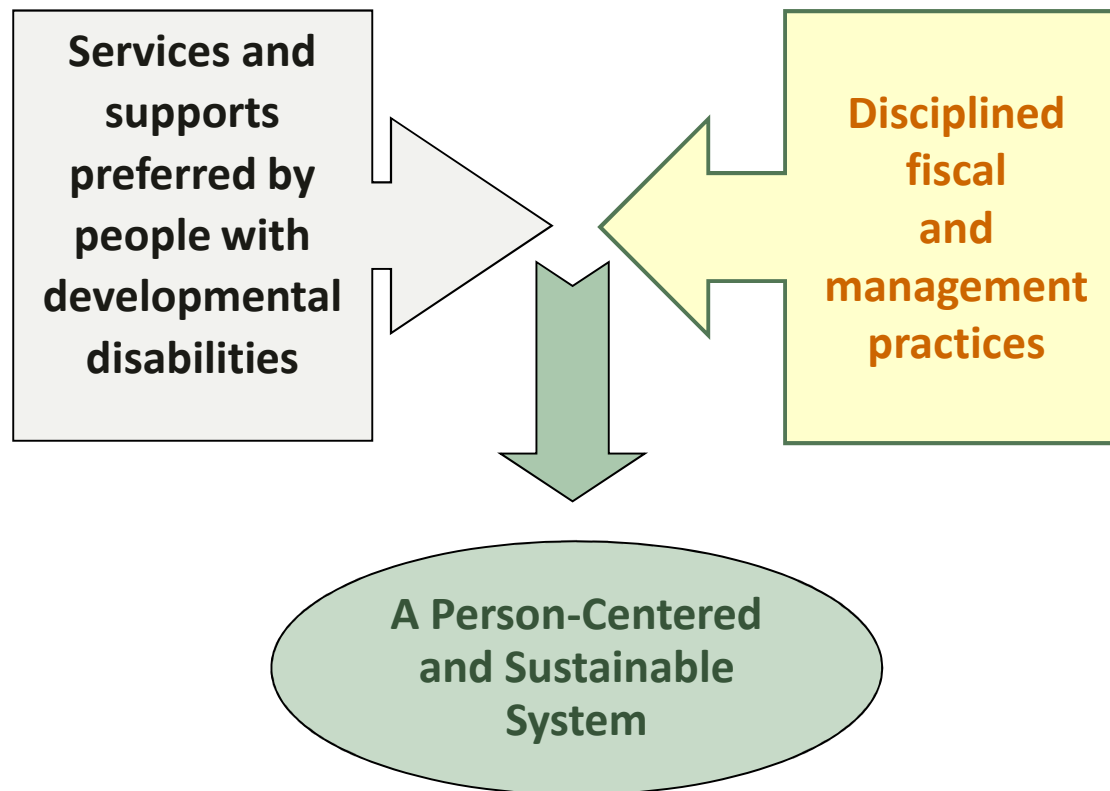
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- Resource Allocation is a way that policy makers can make disciplined fiscal choices that are fair and make the best use of available money, but also in ways consistent with driving system principles.
- Resources are allocated to people individuals based on the assessed level of need, so that people receive what they need -- no more and no less.
- The resulting model is a “best fit” solution so care must also be taken to accommodate individuals with extraordinary needs.

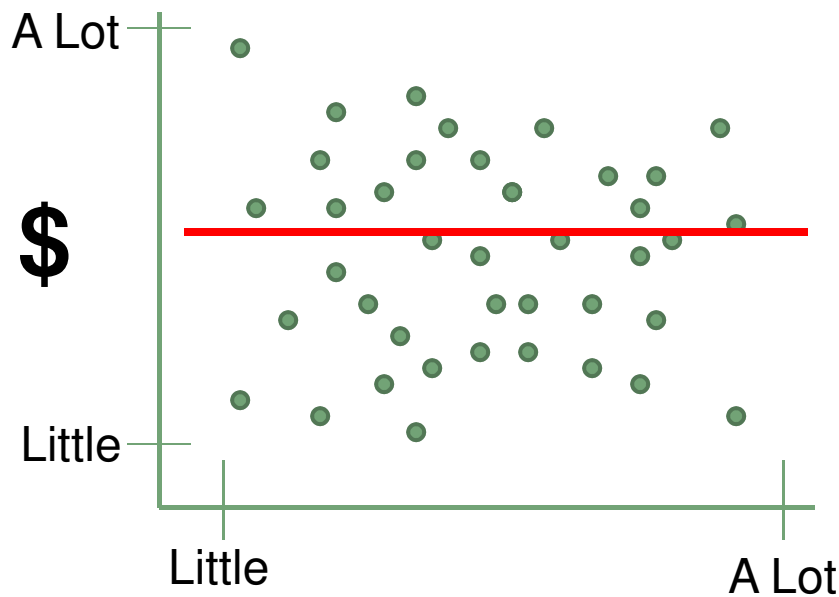


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## Blending Together Principles Related to Service Delivery and System Management



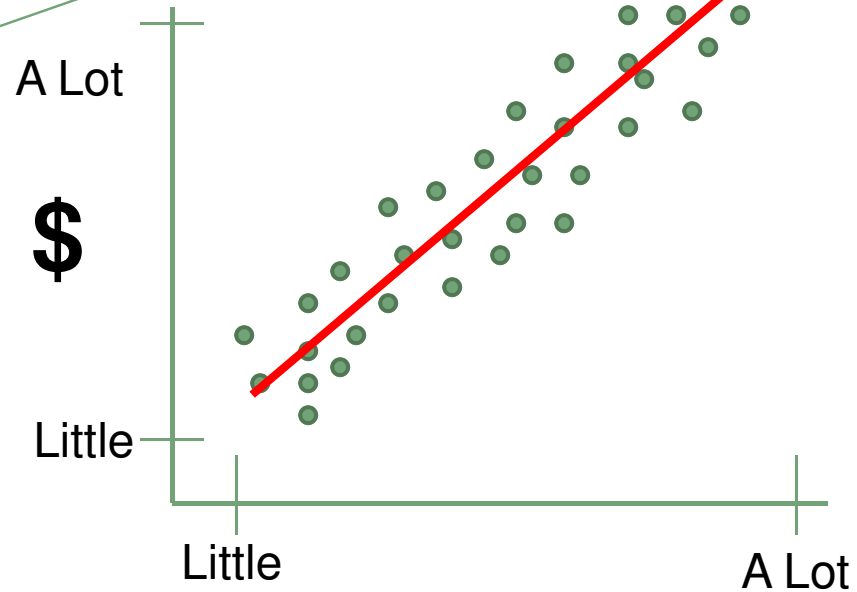




We want to move  
from a low  
correlation like  
**THIS...**

**Support Needed**

...to a high  
correlation like  
**THIS**

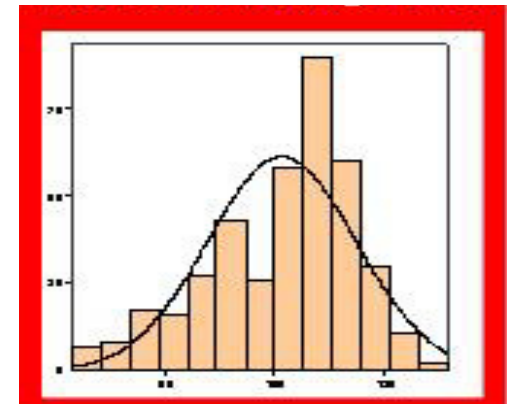


**Support Needed**

# Success requires...

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- Good information on the people served and their need for support, an understanding of what different services cost, and a good way to track spending
- This requires policy makers to settle on the types of services that should be offered, what they are willing to pay for these services, and what outcomes are expected



Person-Centered  
Budget Allocations

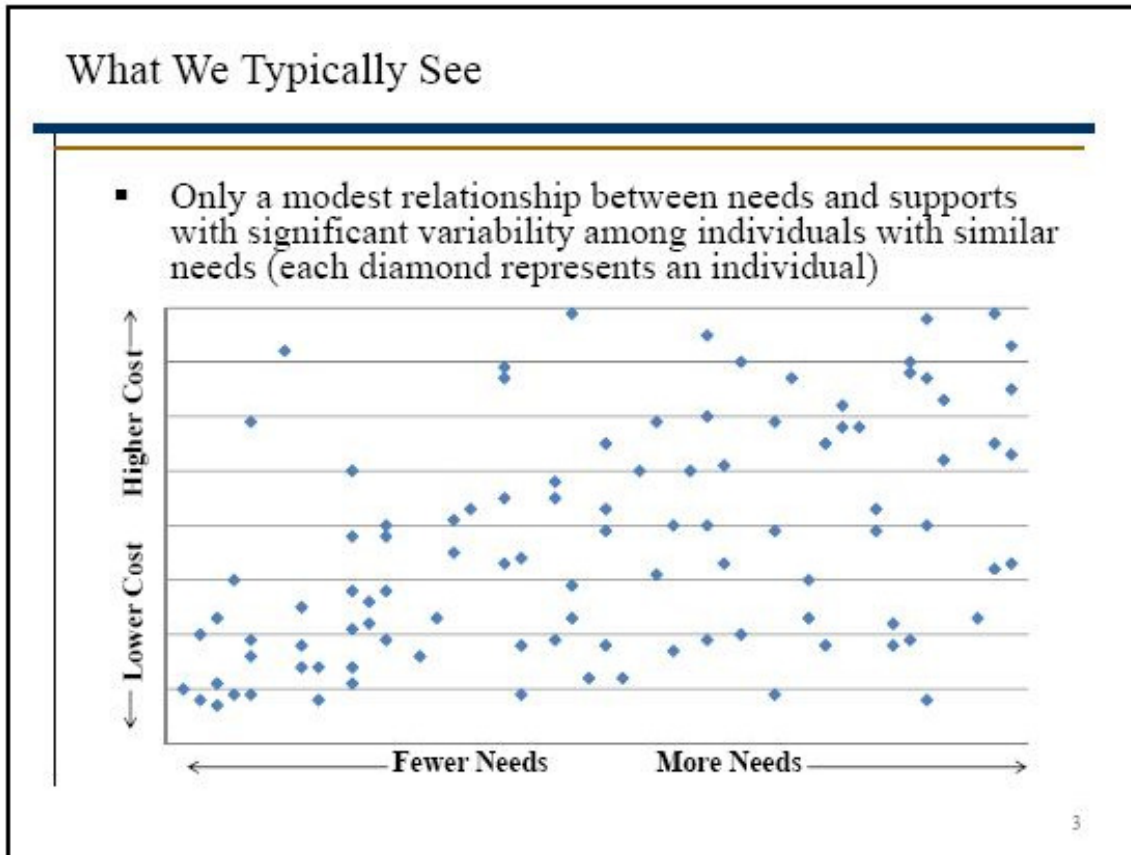
Adjusted Service  
Utilization



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# An overall view - 1 ...

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Burns &  
Associates, 2012



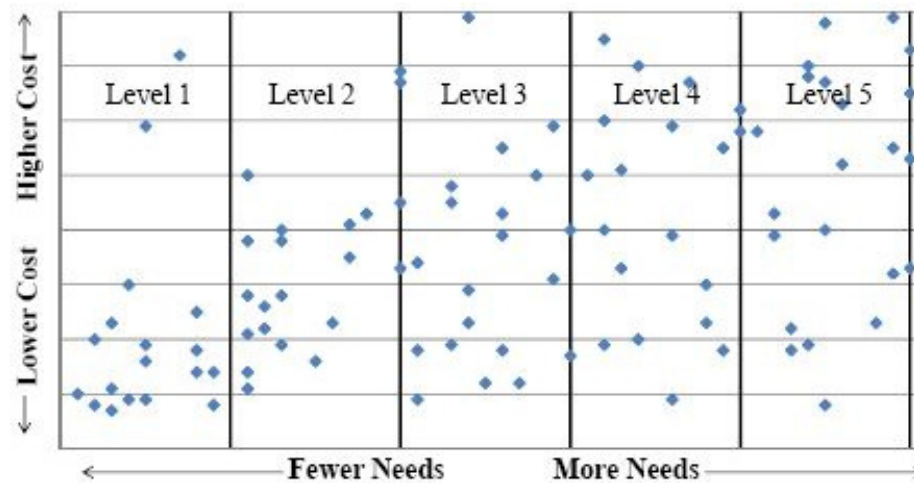
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# An overall view - 2...

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## How Resource Allocation Ties Supports to Needs

- First, levels are established to group individuals with similar needs



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Associates, 2012



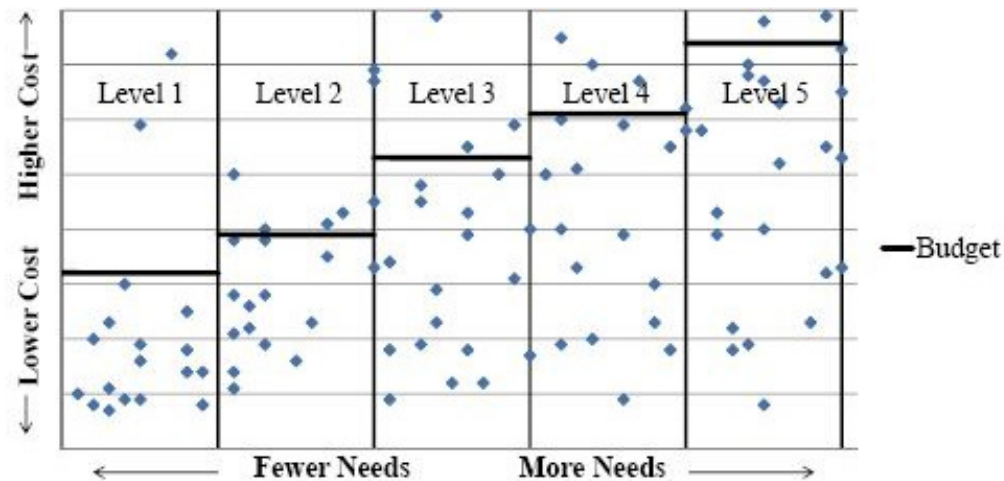
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# An overall view - 3...

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## How Resource Allocation Ties Supports to Needs (cont.)

- Then, a budget is established for each level based on utilization data and State policy decisions



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Associates, 2012



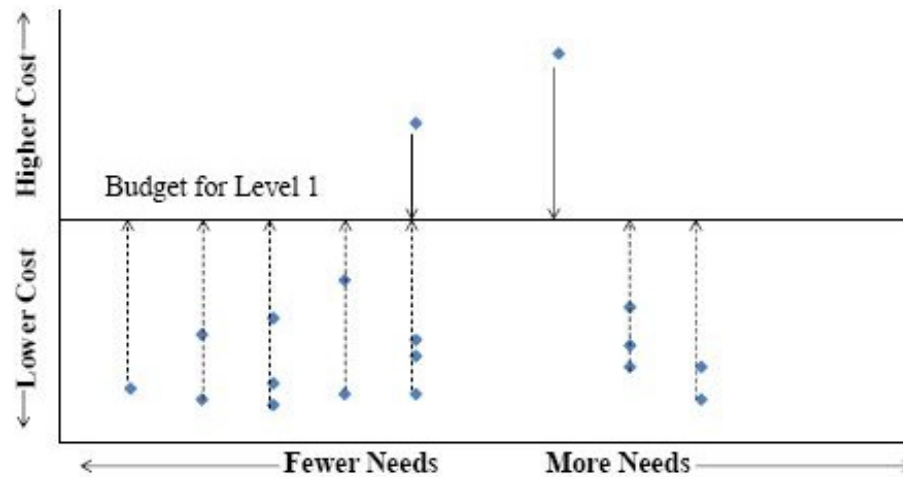
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# An overall view - 4...

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## How Resource Allocation Ties Supports to Needs (cont.)

- Those above the budget for their Level are reduced (and may be stepped down over time); those below may or may not increase



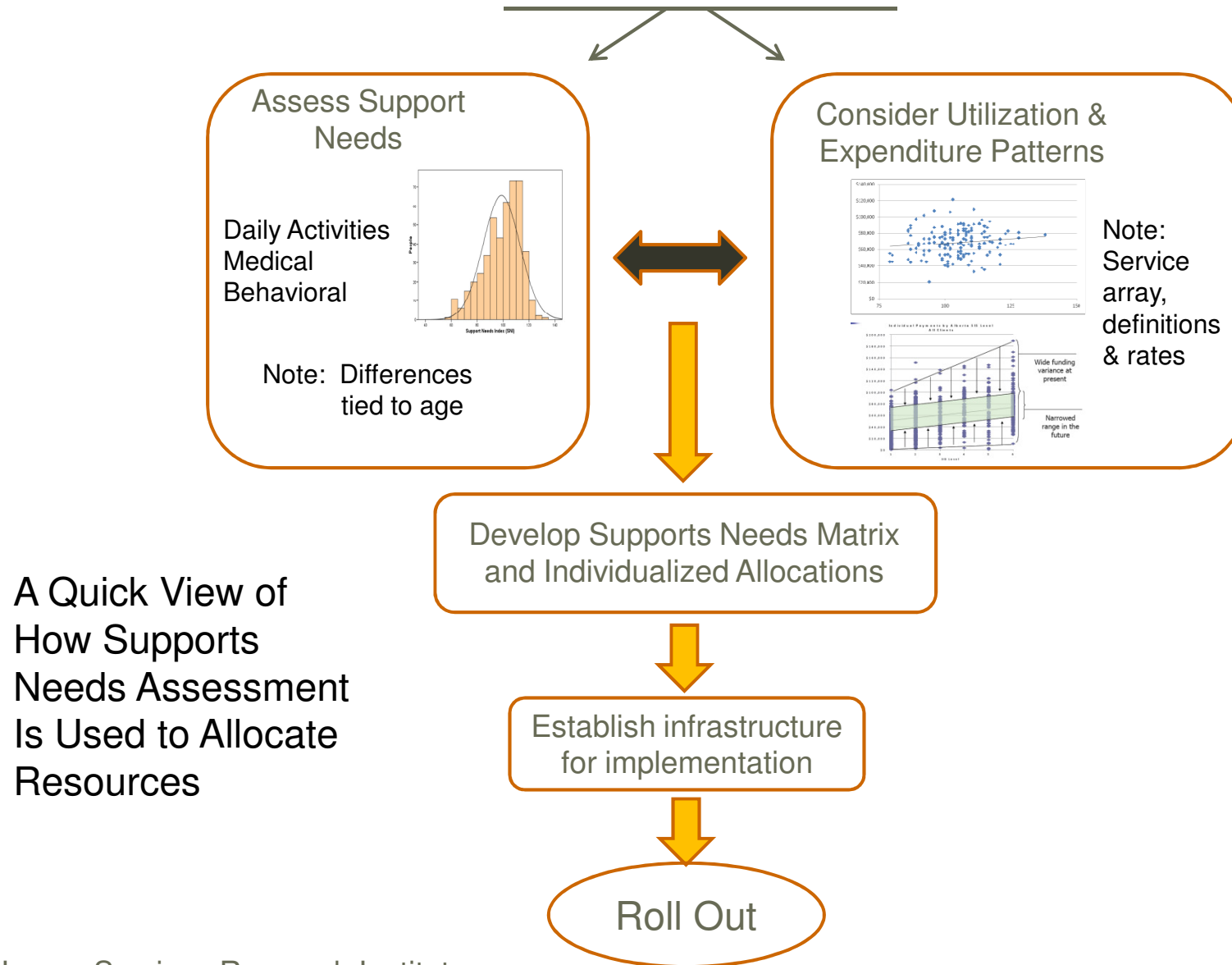
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Burns &  
Associates, 2012

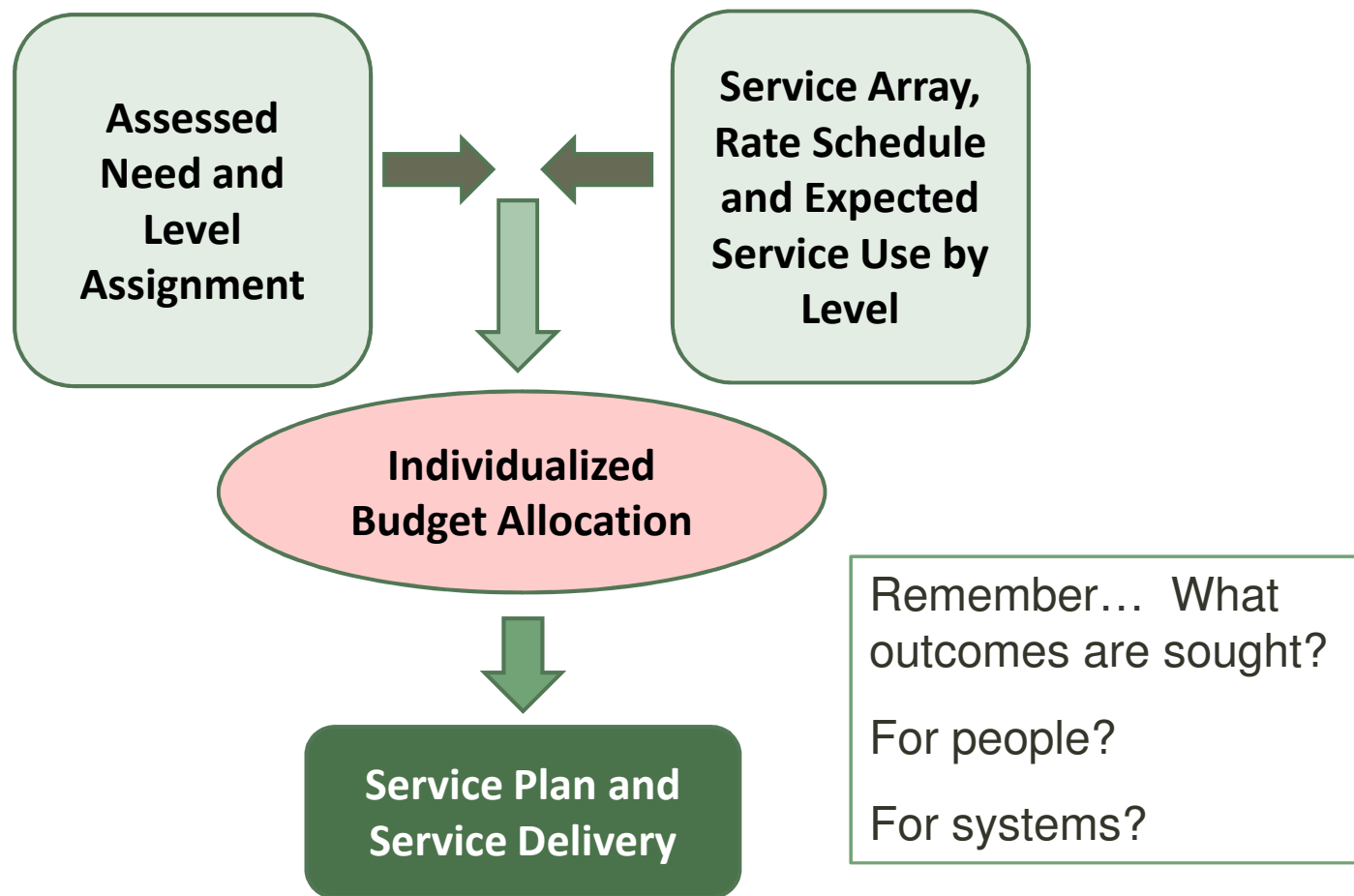


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# System Level Goals and Expectations for Individuals & Families



## Putting it another way...





## Section 3:

Generally, how is a Resource Allocation Framework Assembled and Implemented?



# How does this apply in North Carolina?

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- Statewide implementation of the Innovations Waiver is modeled after the Medicaid 1915 b/c waiver at PBH. It requires the Supports Intensity Scale (SIS) to develop a resource allocation framework.
- We seek to establish a funding model that is fair, efficient and sustainable but still presses for community integration and self-direction.
- Individualized budgets for services are designed so that:
  - ✓ low need = lower budget amount
  - ✓ high need = higher budget amount

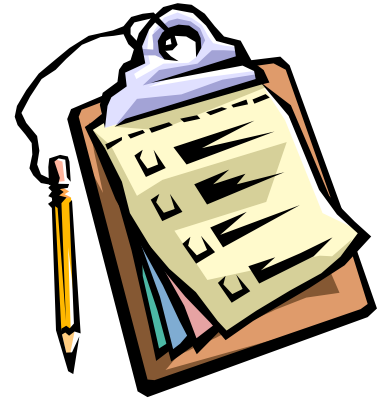


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# What Steps Are Taken?

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1. Policymakers set goals (examples: make the system more fair, serve more people)
2. Data is collected on support needs (we will start with a stratified random sample)
3. Assessment levels are established
4. The service array is considered, along with rates of reimbursement and preferred utilization rates by assessment level
5. Level by level, base budgets are set according to the services people will likely receive, their utilization and how much it will cost.
6. The results are validated given review of a number of individual circumstances
7. The resource allocation framework is implemented



***Let's talk about Steps 1-5***



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# Goals of the Innovations Waiver (Step 1)

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- Value and support waiver participants to be fully functioning members of their community;
- Promote promising practices that result in real life outcomes for participants;
- Offer service options that will facilitate each participant's ability to live in the homes of their choice, have employment or engage in a purposeful day of their choice and achieve their life goals;
- Provide opportunity for all participants to direct their services to the extent that they choose;
- Provide educational opportunities and support to foster the development of stronger natural support networks and enable participants to be less reliant on formal support systems.



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# Developing a Sample (Step 2)

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To get started, we need to collect information on a representative sample of service recipients. The sampling plan includes service recipients from:

- Different age groups (child/adult);
- Each type of residential option (i.e., group home, in-home); and
- Each of the proposed LME-MCO's



# Supports Intensity Scale (SIS)

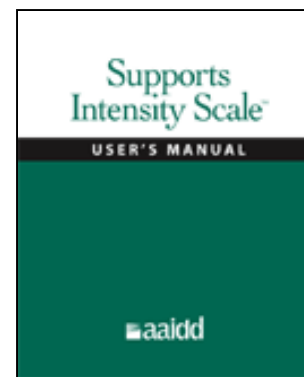
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The Supports Intensity Scale (SIS) is an assessment tool to measure the supports an individual needs to live a meaningful life in the community. It is used to inform supports planning and also resource allocation

People are asked questions about their specific level of need for support in these areas:

- Home activities
- Community activities
- Health and safety
- Medical and behavioral challenges

For information on SIS reliability, validity & use by states go to: <http://www.siswebsite.org/>



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# SIS Assessment

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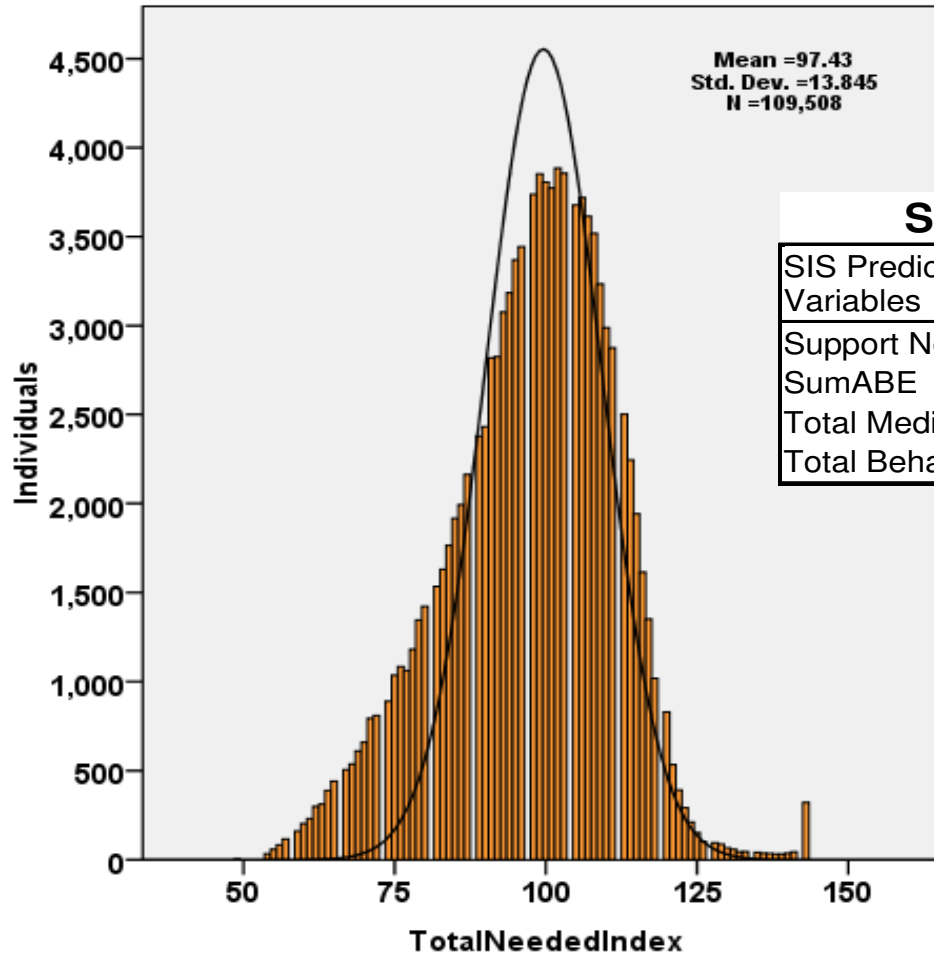
- The SIS is completed during a personal meeting with the person and others who know the person well.
- A trained person (SIS interviewer) will ask questions and fill out the form about the kind of support a person needs throughout the day and night. AAIDD is partnering in NC to conduct the first 5,200 SIS interviews.
- SIS instrument contains questions about every day support such as help with preparing a meal or getting to a doctor's appointment, and questions about extra support for medical conditions and behavior that entail greater levels of support.
- SIS information for each person is entered into a database and level of need scores are generated.



# “Buying the Bell Shaped Curve”

## 2011 -3- Years, 18 jurisdictions

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**SIS Online Descriptive Statistics**

| SIS Predictor Variables | Individuals | Min | Max | Avg   | Std. Deviation |
|-------------------------|-------------|-----|-----|-------|----------------|
| Support Needs Index     | 109,508     | 49  | 143 | 97.43 | 13.84          |
| SumABE                  | 109,508     | 8   | 52  | 28.14 | 6.87           |
| Total Medical 3a        | 109,508     | 0   | 32  | 2.19  | 3.27           |
| Total Behavioral 3b     | 109,508     | 0   | 26  | 3.62  | 4.10           |



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# Don't forget the Supplemental Questions and other factors

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These four questions identify those with the highest level of medical and/or behavioral support need

- Training for Interviewers on the Supplemental Questions
- Establish a process for verifying affirmative responses to the questions

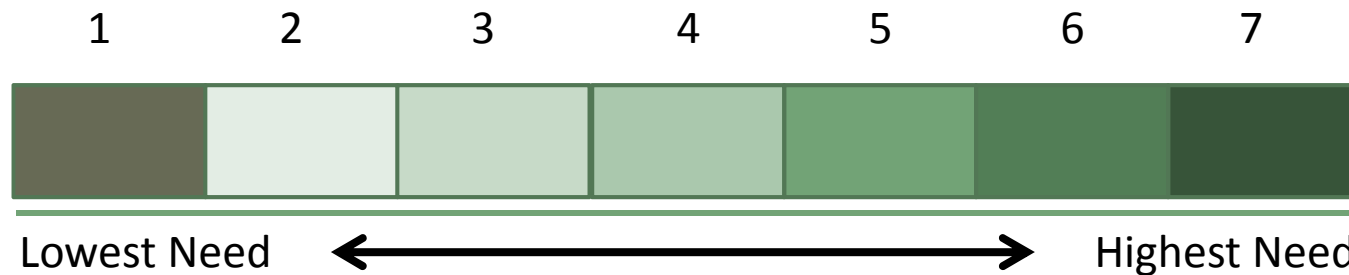
We also consider where people live and the individual's age



# NC Resource Allocation Framework (Step 3)

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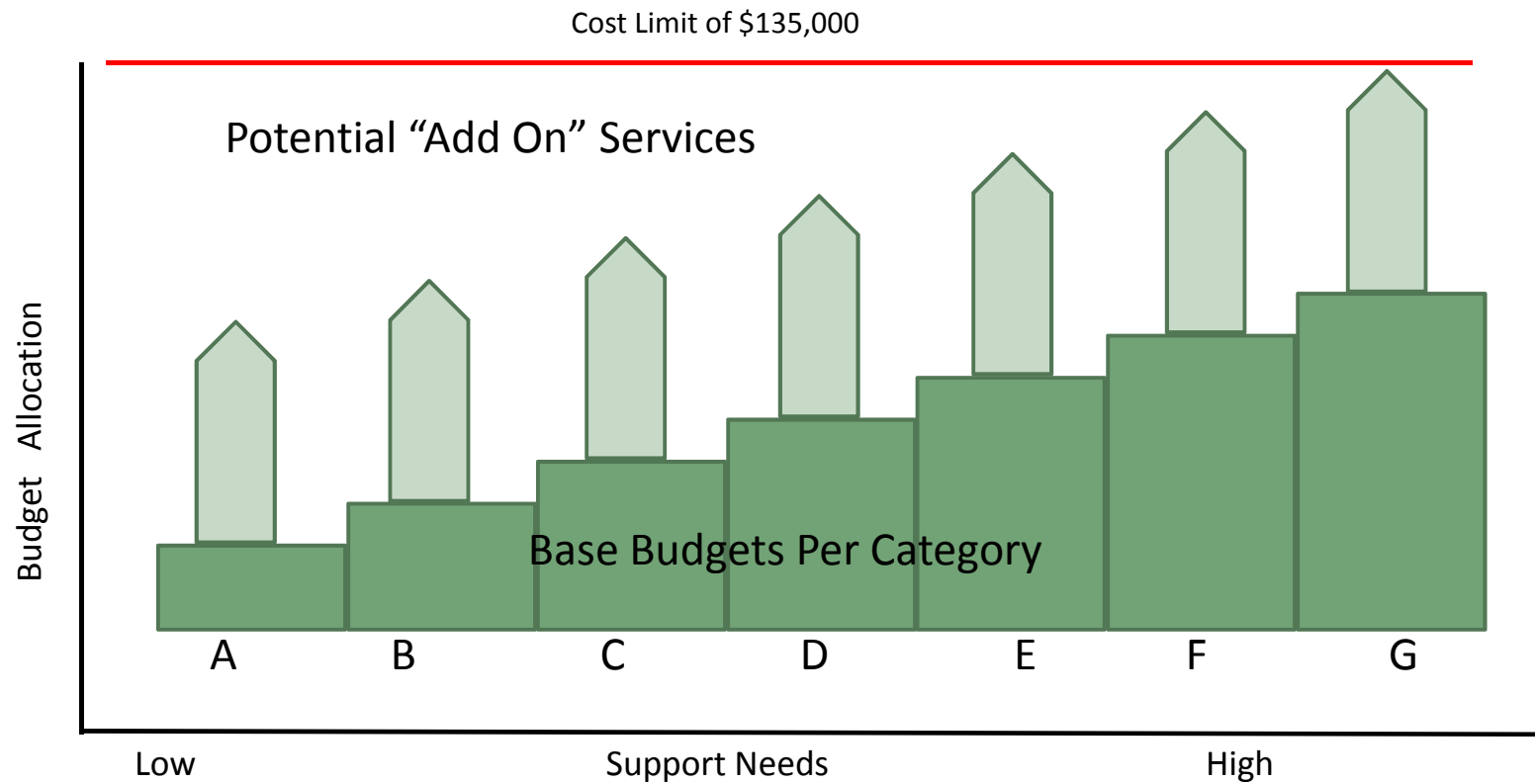
- LME-MCOs will use a model like that pioneered by PBH. It involves 7 funding levels that group people from least to highest support needs.
- Each level represents a certain amount of money for services. Each level is assigned a “base budget” so that all people in a category get the base amount of funds attached to that category.
- In some cases other services can be “added on” to get a higher personal budget allocation.
- Individual’s budgets can not be higher than the cost limit of \$135,000.



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# Example - Support Level Matrix (Steps 4-5)

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# Individualized Budget

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Individual budgets are created from the SIS information and funding levels. Individual budget means amount of money reserved for one person's services for the next year.

Individual budgets are made up of 2 types of services:

1. **Base budget**– Created from your SIS assessment and level. Everyone eligible for Waiver services will receive a base budget to spend on their services.
2. **Add on services** – Additional services as needed.



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# Base Budget Services Include

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- Community Networking Services
- Supported Employment
- Day Supports
- In-Home Skill Building
- In-Home Intensive Supports
- Personal Care
- Residential Supports
- Respite



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# Add-On Budget Services Include

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- Assistive Technology Equipment and Supplies
- Community Guide Services
- Community Transition Services
- Crisis Services
- Financial Support Services
- Individual Goods and Services
- Natural Supports Education
- Specialized Consultation Services
- Vehicle Modifications
- Crisis Services
- Home Modifications



# What Outcomes Are Anticipated?

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Once the new framework is implemented statewide DHHS expects that two types of outcomes will result.

- **System Level Outcomes.** DHHS expects that new framework will provide a way to allocate resources that will make the system fairer, more efficient and sustainable.
- **Personal Outcomes.** DHHS expects that individuals will receive the services they need to achieve the goals targeted in each person's support plan, including goals to support community integration and self-direction.



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# Questions?



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